

09/992,363  
Art Unit 3627  
9794.00

**REMARKS**

This Amendment is submitted in response to the Office Action mailed on October 6, 2003. Claims 1 - 26 are pending, and all stand rejected at present. Claims 27 - 31 are added. Any fee may be billed to Deposit Account 140 - 225, NCR Corporation.

**Response to Rejection of Claims 1 - 8 and 14 - 21**

These claims were rejected on grounds of anticipation, based on Ogasawara.

**MAJOR POINT OF RESPONSE:**

These claims recite, speaking generally, detection of entry of a customer into a store and, in response, increasing the customer's "bonus points" merely for entering the store.

The only passage in Ogasawara which can possibly be relevant is column 8, lines 9 - 12, which states:

Customer loyalty is promoted and enhanced by providing an effective means for immediately allocating incentive award points, store coupons, and the like, towards a **particular purchase.**

However, the "particular purchase" plainly refers to a purchase mentioned at column 8, line 8, which the customer just made.

That is, Ogasawara issues points for purchases, not for merely entering the store. This conclusion is supported by his column 7, line 49 - column 8, line 3.

09/992,363  
Art Unit 3627  
9794.00

### Ogasawara Reference

Ogasawara discusses a system wherein a customer carries an ID card which transmits a customer ID number to a receiver located at the entrance of a retail store. (Column 3, lines 54 - 65; column 6, lines 36 - 43; column 8, lines 55 - 62.) Equipment takes a video photo of the customer. (Column 6, line 45; column 9, lines 11 - 17.)

Once the customer is identified, a demographic profile of the customer is retrieved. That profile contains information about the customer which would be of interest to clerks in the retail store, and includes information about previous purchases, including loyalty points. (Column 6, line 55 et seq.; column 7, line 33 et seq.)

This profile can be either (1) stored in the customer's ID card and transmitted to a receiver operated by the retail store or (2) stored in the retail store's central computer. (Column 7, lines 8 - 13.)

The profile, together with the customer's picture, is transmitted to several computers within the retail store, so that many clerks can obtain information about the newly arrived customer. (Column 9, lines 33 - 50.)

Ogasawara, at column 17, lines 23 - 37, seems to provide a good summary of his system.

However, one thing seems clear. Ogasawara does not alter the

09/992,363  
Art Unit 3627  
9794.00

demographic profile, or add bonus points, when a customer is detected as entering the retail store. For example, he states that the profile is updated **"Once a transaction is completed."** (Column 7, line 56 et seq.)

Ogasawara states, in column 8, lines 9 - 12:

Customer loyalty is promoted and enhanced by providing an effective means for immediately allocating incentive award points, store coupons, and the like, towards a particular purchase.

However, this statement is unclear. Perhaps the reason is the use of the phrase "towards a particular purchase." It would appear that he actually means **"because of a particular purchase."** That is, the coupons and points are awarded after a particular purchase is made. The purchase in question appears to be that of column 8, line 8.

This interpretation is consistent with his discussion in the immediately preceding paragraph (ie, column 7, line 49 - column 8, line 3.)

But even if this passage (Column 8, lines 9 - 12) is interpreted as meaning that, when an identified customer enters, he is immediately presented with a coupon for, for example, a specific television, it is unclear as to how this presentation is made.

-- Do sales clerks approach the customer and

09/992,363  
Art Unit 3627  
9794.00

hand him paper coupons ?

-- Does the store add bonus points to the customer's card ? If so, then how do they do it ? Do they increase the points stored in the card. Or doe they modify the profile stored in the central computer ? Ogasawara does not say.

Applicant submits that the passage in question, and any others like it, refer to immediately updating the demographic file of the customer, but **after** a new transaction occurs. They do not refer to awarding bonus points for merely entering a store.

#### Claim 1

Claim 1 recites:

1. A method, comprising:

a) at a portal to an enclosure, receiving an identity signal from a transponder;

b) locating an account, based on the identity signal;

and

c) creating a change in the account, prior to any purchase by a party identified by the identity signal.

Claim 1(c) was amended because overall claim 1 could be read onto Ogasawara, after his customer entered a store and made a purchase.

09/992,363  
Art Unit 3627  
9794.00

Applicant submits that claim 1(c) is not found in Ogasawara. Applicant points out that, for a reference to anticipate a claim under section 102, that reference must be **enabling** for that claim. (See Patents by D. Chisum, sections 3.06(1)(a) and 304(1).)

Applicant can find no discussion in Osagawara stating that a change is made in the customer's demographic profile, prior to a purchase being made. And Osagawara does state the opposite: that changes are made **after** a transaction is completed. (Column 7, lines 56 et seq.)

Further, the PTO's interpretation of Osagawara, column 8, lines 4 - 16, appears to be taken out-of-context. In the first two sentences of that passage, Osagawara states:

. . . a retail store . . . equipped with the  
. . . invention is able to provide a  
significantly enhanced degree of personalized  
service to customers that make their purchase  
transactions using such an ID card.

Customer loyalty is promoted and enhanced by  
providing an effective means for immediately  
allocating incentive award points, store  
coupons, and the like, towards a particular  
purchase.

Plainly, the "particular purchase" of the second sentence refers to the "purchase transactions" of the first sentence.

This is supported by the fact that Osagawara repeatedly states that "award points" are granted **based on previous (or contemporaneous) purchases**. (Column 1, line 61 - column 2, line

09/992,363  
Art Unit 3627  
9794.00

3; column 2, lines 12, 13, 21 - 23; column 3, lines 10 - 13.)

In addition, Osagawara discusses the overall operation of his invention in at least two locations: column 11, line 46 et seq., and column 17, line 23 et seq. However, at neither location does he discuss awarding loyalty points in absence of a purchase.

Further, the PTO's interpretation of column 8, lines 4 - 16, creates an ambiguity. Osagawara states that he detects when a customer leaves the store. When the customer leaves, Osagawara deletes the customer's ID number, the record, and the video picture "from the system." (Column 5, lines 5 - 10; column 9, line 56 - column 10, line 12.) That is, it appears that he deletes from the computers around the store everything which he retrieved from the main computer when the customer entered.

Here is the inconsistency. Assume, as does the Office Action, that Osagawara adds bonus points at the time the customer enters the store. But how is that done ? Are the points added to

- 1) the primary demographic file permanently stored in memory

or

- 2) the copy of that file which is retrieved, and distributed to computers throughout the store ?

Either way, the customer would get the bonus points. However, in case (1), when the customer left the store, the bonus points are

09/992,363  
Art Unit 3627  
9794.00

not lost, because stored in the permanent file. But, in case (2), the points would be lost, because the customer's records are erased when he leaves the store.

Thus, the ambiguity is this: if Osagawara awards points when the customer enters the store, where are they stored ? The location of storage determines whether they are lost or not when the customer leaves the store.

Applicant submits that, until this ambiguity is resolved, the PTO cannot interpret Osagawara as it does. That interpretation creates an ambiguity.

It also creates a situation which seems to make no sense. On the one hand, free bonus points are permanently given to the customer. (Case 1.) On the other hand, free bonus points are given, but are lost if the customer leaves the store. (Case 2.)

Why do that ?

The undersigned attorney can find no discussion in Ogasawara which explains this discrepancy, or suggests awarding free points at all.

Therefore, Applicant submits that the PTO's interpretation creates a situation which makes no sense, and Ogasawara provides no explanation which overcomes the lack of sense. Given those two facts, Applicant submits that the PTO is bound to provide an explanation of these unusual ramifications of the PTO's interpretation.

09/992,363  
Art Unit 3627  
9794.00

Applicant submits that this conclusion is supported by the fact that, if the "purchases" of column 8, line 12, are interpreted to mean purchases just made, which is consistent with the context of Ogasawara, then these discrepancies disappear.

Stated more simply:

-- The PTO makes an interpretation of Ogasawara which creates discrepancies.

-- Another interpretation has no such discrepancies.

-- Thus, the PTO must resolve the discrepancies.

The preceding discussion applies to the remaining claims in this group.

#### **Response to Rejection of Claims 9, 10, 22, and 23**

These claims were rejected on grounds of anticipation, based on Hardesty. However, several problems exist in this rejection.

##### Problem 1

One is that all claims in this group, speaking generally, state that an award is granted "in response to" the entry. The passage cited in Hardesty merely refers to

. . . incentives to consumers to purchase specific goods and services or to "visit" certain web sites.



09/992,363  
Art Unit 3627  
9794.00

However, that passage indicates that the incentives were granted **in advance**.

#### Problem 2

A second problem is that the passage refers to incentives to "visit" web sites. Claim 22(b) recites "means for detecting entry of the customer through a portal." The other claims in this group contain a similar recitation.

The claim language does not read onto the subject matter of Hardesty. "Detecting entry of the customer through a portal" does not read on a process of detecting when a customer logs into a web site. Even if Hardesty shows the latter, the claim language does not read on that.

Claims are not read metaphorically. It is often said that, when a customer logs into a web site, the customer "enters" the web site. However, that is metaphoric usage. The customer does not actually enter a web site. How could the physical body of the customer pass through telephone wires ?

Further, the only content in the cited passage of Hardesty which is remotely close to the claims in question is the visitation of web sites. (The other content refers to purchases of goods and services, which is not relevant.) Even if the claim language is treated as reading on "visiting" web sites, the claimed cause-

09/992,363  
Art Unit 3627  
9794.00

effect relationship is absent.

The claims state that awards are granted **in response to** the "entry." "Entry" is the cause. Hardesty does not state that awards are granted in response to "visits." Rather, he implies the opposite: incentives are given to make the "visit" in the first place.

#### Additional Point 1

It is often said that claim language is given the broadest possible construction. That statement is not correct.

MPEP § 2173.05(a) states:

During patent examination, the pending claims must be given the broadest reasonable interpretation **consistent with the specification.**

#### Additional Point 2

The PTO's reading of the claims is inconsistent with the law of overbreadth. It is axiomatic that, for a reference to **anticipate** a claim, then the reference must **infringe** the claim.

However, Applicant's Specification has no support for identifying a visitor to a web site. Thus, the breadth of the claims in question, for infringement purposes, cannot extend to that. One reason is that the claims only extend to subject matter for which they are enabled (plus possibly equivalents).

09/992,363  
Art Unit 3627  
9794.00

Therefore, the visiting-web-site subject matter does not **infringe** the claims. Consequently, that subject matter does not **anticipate** the claims.

Further, the claim language is "portal to an enclosure." That is not shown in the reference.

### Additional Point 3

Numerous words in the English language have more than one meaning. Applicant has no control over that.

For example, "box" means (1) to engage in the art of fisticuffs and (2) to enclose in a cardboard package.

Similarly, "portal" means (1) a physical door and (2) an entry point into a computer.

The meaning which corresponds to the Specification must be used.

## **Response to 101 - Rejection of Claim 9**

### Point 1

The claims in the Hardesty reference would appear to be subject to the same objection, yet Hardesty has been issued. (See Hardesty's claim 1.)

### Point 2

Claim 9, at a minimum, involves counting and detecting. Those

09/992,363  
Art Unit 3627  
9794.00

are perhaps the most basic "technological arts." Further, claim 9 involves a cause-and-effect operation (increasing points under certain circumstances). That is technological.

Further still, the fact that claim 9 can be carried out manually is not a basis for a 101-rejection.

**Response to Rejection of Claims 11, 13, 24, and 26**

These claims were rejected on grounds of obviousness, based on Ogasawara and Hardesty.

Claim 11 recites:

11. Method, comprising:

- a) at a portal to an enclosure, receiving an identity signal from a transponder associated with a person; and
- b) in response to the identify signal, transmitting a message to a location which is accessible by the person.

The Office Action, page 5, purports to find claim 11(a) in paragraph 0007 of Hardesty, and claim 11(b) in paragraph 0046.

Point 1

Claim 11(a) recites a "transponder." Applicant cannot locate a transponder in Hardesty, and requests, under 37 CFR §§ 1.104(c)(2) and 35 U.S.C. § 132, that the PTO specifically identify the transponder.

09/992,363  
Art Unit 3627  
9794.00

Point 2

Applicant repeats that claim 11(a) cannot be read metaphorically. The language of claim 11(a) does not cover visiting a web site. The claim must be read consistently with the Specification.

Point 3

Applicant points out that it is well known that, when you visit a web site, the web site does not know your identity. Here is basically what happens.

Say you did a Google search, and obtain a list of web sites. You click on one of them. That causes your computer to send a message to your Internet Service Provider, ISP, which, in effect, says "Get me that web page." Your ISP then contacts that web page. But your ISP does not identify you to the web page. Instead, it keeps a record of who requested that web page (ie, you). When the web page arrives at your ISP, it looks at the record to find the requestor (you), and transmits the web page to you.

But the web site does not know your identity.

Of course, many web sites try to learn the identities of visitors. For example, if you order a product from a web site, you will identify yourself. The web site may then place a "cookie" in your computer. When you visit the web site next, it

09/992,363  
Art Unit 3627  
9794.00

will read the cookie, and learn your identity. If you did not remove the cookie.

But, in the general case, a visitor to a web site is not identified by the web site. And, certainly, a first-time visitor is not known, because there is no way for the web site to make the identification.

Therefore, the "identity signal" of claim 11(a) has not been shown in Hardesty.

#### Point 4

Even under the PTO's interpretation, claim 11(a) and (b) are not found in Hardesty. The reason is that the claim states that 11(b) is undertaken "in response to" 11(a).

In Hardesty, the actions of paragraph 0046 (supposedly 11(b)) are not taken "in response to" anything in paragraph 0007. One reason is that paragraph 0046 discusses depositing rebates into an account. That is done in connection with credit card transactions.

#### Interim Conclusion

Claim 11(a) and (b) are not found in Hardesty. Thus, there is no relevance of Hardesty to the claims.

#### Combination of Hardesty with Ogasawara

The rationale for combining the two references is apparently

09/992,363  
Art Unit 3627  
9794.00

that Hardesty shows a two-step procedure which is similar to claim 11, and thus Ogasawara should be modified in a manner which the Office Action does not specify. Several problems exist in this rationale.

#### PROBLEM 1

The teaching for combining references must be found in the prior art. Drawing a comparison between a reference (Hardesty) and claim 11, and then proceeding to complete a rationale, is not allowed. Claim 11 is not part of the prior art, and cannot be used in the rationale.

#### PROBLEM 2

As explained above, claim 11(a) and 11(b) have not been shown in Hardesty. Thus, at best, the PTO has merely shown that **some sub-elements** of each paragraph of claim 11 are found in Hardesty.

The presence of common elements in both a claim and a reference, by itself, is not a basis for combining the reference with another reference.

#### PROBLEM 3

The Office Action has not actually shown the elements of claim 11 in the combined references. MPEP § 2143.03 states:

09/992,363  
Art Unit 3627  
9794.00

To establish prima facie obviousness . . . **all the claim limitations** must be taught or suggested by the prior art.

As explained above, claim 11(a) and (b) are not found in Hardesty.

Since the PTO has not shown those elements in Ogasawara, claim 11 has not been shown in the prior art.

#### PROBLEM 4

No teaching has been given for combining the references. The Office Action merely points to the desirability of providing incentives for customers to enter stores, because the customers will then make purchases.

However, numerous different incentives are possible. The PTO has not shown why the references teach that they should be combined to produce claim 11.

Further, the incentive-rationale of the PTO does not lead to claim 11. Claim 11 states that the identity signal is received "at a portal." For the PTO's incentive-argument to be relevant, that "portal" must be at the store which the PTO is discussing. Thus, a person is at the "portal."

Applicant fails to see how the PTO's incentive (of persuading this person to enter the store) leads to obtaining claim 11(a) and (b), based on the references. For example, if the goal is to



09/992,363  
Art Unit 3627  
9794.00

persuade the customer (who is at the portal of claim 11(a)) to enter the store, why would claim 11(b) be performed to attain that goal ?

#### Other Claims

This discussion applies to the other claims in this group.

#### **Response to Rejection of Claims 12 and 25**

These claims were rejected as obvious, based on Ogasawara, Hardesty, and Biffar.

Each of these claims depends from a parent which was discussed in the previous section. Thus, they are considered patentable, based on the parents.

No valid teaching has been given for combining the references. The rationale given is that the e-mail message will allow users to keep track of awards.

However, that is not a teaching. That merely identifies a supposed characteristic of the combination, but **after** the combination is made. A teaching for making the combination in the first place is required.

Further, this rationale fails to comply with the rules of obviousness. Under section 103, the subject matter of the claim **as a whole** must be obvious. The PTO has only asserted that (1) a parent claim is obvious, based on references O and H, and then (2)

09/992,363  
Art Unit 3627  
9794.00

a dependant claim is obvious based on further reference B.

That does not show that the dependant claim **as a whole** is obvious.

From another point of view, the claim in question, in effect, contains element c. The parent claim contains elements a and b. The "as a whole" requirement requires that a, b, and c be shown to be obvious, in view of the references.

Stating that a and b are obvious in view of some references, and then that it is obvious to combine a and b with c based on a third reference does not meet this requirement.

That approach states that **part** of a claim is obvious, and then it is obvious to combine that **part** with the **rest** of the claim. But that does not show that the claim as-a-whole is obvious.


09/992,363  
Art Unit 3627  
9794.00

**Conclusion**

Applicant requests that the rejections to the claims be reconsidered and withdrawn.

Applicant expresses thanks to the Examiner for the careful consideration given to this case.

Respectfully submitted,

  
Gregory A. Welte  
Reg. No. 30,434

NCR Corporation  
1700 South Patterson Blvd  
WHQ - 5  
Dayton, OH 45479  
January 6, 2003  
(937) 445 - 4956

ATTACHMENT: Listing of all pending claims